



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

March 27, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on March 27, 2018:

HB 2034 social security; state agency designation (Livingston)
HB 2053 sexual acts; theft by extortion (Syms)
HB 2078 political subdivisions; candidate committee (Finchem)
HB 2085 schools; emergency epinephrine administration (Carter)
HB 2168 mobile homes; recreational vehicles; fund (Coleman)
HB 2190 county improvement districts; repayment agreements (Mitchell)
HB 2243 wrong-way driving; violation; DUI (Farnsworth, E.)
HB 2247 criminal justice commission; reporting requirements (Farnsworth, E.)
HB 2312 setting aside conviction; requirements (Farnsworth, E.)
HB 2404 taxidermy; registry (Mosley)
HB 2460 charter schools; vacant buildings; equipment (Leach)
HB 2461 zoning regulations; private schools (Leach)
HB 2633 pharmacists; controlled substances (Cobb)
SB 1375 contractor licensure (Fann)
SB 1423 common school districts; lapsing; procedure (Griffin)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed
FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 80
HOUSE BILL 2190

AN ACT

AMENDING SECTIONS 48-901, 48-909 AND 48-909.01, ARIZONA REVISED STATUTES;
RELATING TO COUNTY IMPROVEMENT DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-901, Arizona Revised Statutes, is amended to
3 read:

4 48-901. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Assessment" or "assessment roll" means a special assessment
7 made under this article.

8 2. "Block" means a parcel of ground, regular or irregular, bounded
9 by streets or by streets and district boundary lines.

10 3. "Chairman of the board" means the person designated to preside
11 over meetings of the board of directors.

12 4. "Clerk" or "district clerk" means the clerk of the board of
13 supervisors, who shall be the clerk under this article and in whose office
14 shall be filed all papers directed or required to be filed with the clerk.

15 5. "Commercial farming" means the intensive cultivation of arable
16 land by the raising of agricultural or horticultural products as a
17 principal source of the owner's livelihood.

18 6. "Commercial stock raising" means the breeding, raising and care
19 of domestic animals as a principal source of the owner's livelihood.

20 7. "Contractor" includes personal representatives or assignee of
21 the contractor.

22 8. "Delinquency" means delinquency in the payment of an assessment.

23 9. "Engineer" or "district engineer" means a person designated or
24 employed by the board of directors of a district to perform any or all of
25 the engineering work authorized to be done by the district under this
26 article.

27 10. "Improvement bond" means a bond issued under this article.

28 11. "Lighting plants" includes electric light plants, electric
29 power plants, gas plants, distribution systems, poles, parts, pipes,
30 conduits, wires, tanks, reservoirs, generators for gas or electricity,
31 transmission lines, towers, lamps, transformers of every character,
32 machinery, apparatus, equipment and all appliances and structures
33 necessary or incidental to the construction, installation or operation of
34 a complete electric light, power and gas plant and distribution system
35 placed on the streets improved, though extended beyond.

36 12. "Lot" includes any portion, piece, parcel or subdivision of
37 land, but not property owned or controlled by any person as a railroad
38 right of way.

39 13. "Owner" means the person in whom legal title appears by
40 recorded deed, or the person in possession under claim or title, or the
41 person exercising acts of ownership for himself or as the personal
42 representative of the owner, including the boards of trustees of school
43 districts and the boards of education of high school districts owning
44 property within the proposed improvement district.

1 14. "Sewers" ~~include~~ INCLUDES wastewater treatment facilities,
2 tunnels, excavations, ditches, drains, conduits, channels, outlets,
3 outfalls, cesspools, manholes, catch basins, flush tanks, septic tanks,
4 connecting sewers of every character, machinery, apparatus, equipment and
5 all appliances and structures necessary or incidental to the construction,
6 installation or operation of a complete sewer system for either sanitary
7 or drainage purposes.

8 15. "Street" includes avenues, alleys, highways, lanes, crossings,
9 intersections, courts, places and grounds opened or dedicated to public
10 use and public ways.

11 16. "Street superintendent" or "superintendent" means a county
12 employee designated by the board of supervisors to perform the duties of
13 street superintendent for all the districts organized under this article
14 in any county.

15 17. "Time of delinquency" means the time when assessments become
16 delinquent.

17 18. "Treasurer" or "district treasurer" means the treasurer of the
18 county in which a district is situated, who shall be the treasurer of the
19 district.

20 19. "Unincorporated area" means any portion of a county not within
21 the limits of an incorporated city or town, so situated that any of the
22 improvements provided for in this article might reasonably or properly be
23 made or constructed for the benefit of the inhabitants of the area under
24 existing special assessment statutes if the area were situated within an
25 incorporated city or town.

26 20. "Wastewater systems" means sewers and other wastewater
27 treatment facilities.

28 21. "Waterworks" means works for the storage or development of
29 water for domestic uses, ~~and includes~~ INCLUDING DRINKING WATER TREATMENT
30 FACILITIES, wells, pumping machinery, power plants, pipelines and all
31 equipment necessary for ~~the purpose~~ THOSE PURPOSES.

32 22. "Work" or "improvement" includes any of the improvements
33 mentioned and authorized to be made in this article, the construction,
34 reconstruction and repair of all or any portion of any such improvement,
35 and labor, services, expenses and material necessary or incidental
36 thereto.

37 Sec. 2. Section 48-909, Arizona Revised Statutes, is amended to
38 read:

39 48-909. Purposes for which public improvements may be
40 undertaken; powers incidental to public
41 improvements

42 A. When the public interest or convenience requires, the board of
43 directors of an improvement district may order:

1 1. The whole or any portion, either in length or width, of one or
2 more of the streets of the district graded or regraded, paved or repaved,
3 landscaped or otherwise maintained, improved or reimproved.

4 2. The acquisition, construction, reconstruction or repair of any
5 street, tunnel, subway, viaduct or conduit in, on, under or over which the
6 district may have an easement or right-of-way therefor.

7 3. The construction or reconstruction of sidewalks, crosswalks,
8 curbs, gutters, culverts, bridges, tunnels, siphons, manholes, steps,
9 parkings and parkways.

10 4. The placement, replacement or repair of pipes, hydrants and
11 appliances for fire protection.

12 5. The acquisition, construction, reconstruction, maintenance or
13 repair of wastewater treatment facilities, sewers, ditches, drains,
14 conduits, pipelines and channels for sanitary and drainage purposes, with
15 outlets, cesspools, manholes, catch basins, flush tanks, septic tanks,
16 connecting sewers, ditches, drains, conduits, channels and other
17 appurtenances in, under, over or through any street or any land of the
18 district or any right-of-way granted or obtained for such A purpose,
19 either within or without the district limits.

20 6. The acquisition, construction, reconstruction, MAINTENANCE or
21 repair of waterworks, INCLUDING DRINKING WATER TREATMENT FACILITIES, for
22 the delivery of water for domestic purposes, and of wells, ditches,
23 canals, channels, conduits, pipelines and siphons, together with the
24 necessary or usual appurtenances for carrying storm water or water from
25 irrigation ditches, watercourses, streams or springs into, through or out
26 of ~~such~~ THE district in, under, over or through any street, or any land of
27 the district or any right-of-way granted or obtained for such A purpose,
28 either within or without the district limits. ~~Nothing in This section~~
29 ~~shall be construed to~~ DOES NOT prohibit the board of directors of an
30 improvement district from purchasing an existing domestic water delivery
31 system within the district or outside the district or constructing an
32 initial or improving an existing domestic water delivery system inside or
33 outside the district.

34 7. The construction, reconstruction or repair of breakwater levees
35 or walls, riverbank protection or replacement of riverbanks and supporting
36 land. A district established for this purpose shall cooperate and
37 coordinate its plans and activities with the county flood control district
38 established in the county and any incorporated city or town in which the
39 district is established.

40 8. The acquisition, construction, reconstruction or repair of
41 lighting plants and poles, wire conduits, lamps, standards and other
42 appliances for the purpose of lighting and beautifying streets or other
43 public lands.

44 9. The construction, reconstruction or repair of any work
45 incidental to or connected with any ~~such~~ improvement.

1 10. The acquisition, in the name of the district, by gift, purchase
2 or otherwise and the maintenance, repair, improvement or disposal of any
3 real or personal property necessary or convenient for district operation
4 for a community center, park or recreational area.

5 11. Pursuant to section 48-902, the board of directors of an
6 improvement district may contract for or in any other manner provide
7 transportation services within the district.

8 B. In addition to the powers specifically granted by or reasonably
9 inferred from this article, an improvement district through its board of
10 directors may:

11 1. Acquire by gift, purchase, condemnation or otherwise in the name
12 of the district and own, control, manage and dispose of any real or
13 personal property or interest in ~~such~~ THE property necessary or convenient
14 for the construction, operation and maintenance of any of the improvements
15 provided for by this article.

16 2. Join with any other improvement district, any city, town,
17 governmental agency or Indian tribe, or any agency or instrumentality of
18 an Indian tribe, or any person in the construction, operation or
19 maintenance of any of the improvements hereby authorized.

20 3. Join with any other improvement district or any city, town,
21 county or Indian tribe, or any agency or instrumentality of an Indian
22 tribe, in improving streets running ~~upon~~ ON or along the boundary of the
23 district and levy assessments and issue bonds for the district's part of
24 the cost of ~~such~~ THOSE improvements.

25 4. Sell, lease or otherwise dispose of any property of the district
26 or interest in ~~such~~ THE property when the property is no longer required
27 for the purposes of the district or the use of which may be permitted
28 without interfering with the use thereof by the district.

29 5. Sell or otherwise dispose of any property or material acquired
30 in the construction or operation of any improvements as a by-product or
31 otherwise, and acquire rights-of-way for ~~such~~ THE disposal by condemnation
32 or otherwise.

33 6. Accept from ~~the~~ THIS state ~~of Arizona~~ or the federal government,
34 or any agency, department or instrumentality of either, grants for or in
35 aid of the construction of any of the improvements provided for by this
36 chapter.

37 7. Notwithstanding any other law, sell improvement bonds to the
38 federal government, or any agency, department or instrumentality of the
39 federal government, for the construction of any of the improvements
40 provided by this chapter.

41 8. Enter into contracts with ~~the~~ THIS state ~~of Arizona~~ or the
42 federal government, or any agency, department or instrumentality of either
43 or both, for the construction or supervision of construction by the state
44 of Arizona or the federal government, or any agency, department or
45 instrumentality of either or both, but reserving to the district the right

1 to assess against the property benefited by the improvement, and located
2 within the district, that portion of the cost of the improvement ~~which~~
3 THAT does not qualify for aid under a state or federal grant.

4 9. Operate, maintain and repair the streets within the district and
5 any improvements made pursuant to this chapter.

6 10. Do all things incidental to the exercise of the powers granted
7 by this article.

8 C. A county improvement district formed for the purpose of
9 purchasing an existing or constructing a new domestic water delivery
10 system within the district or outside the district shall have the same
11 authority and responsibility as an incorporated city or town pursuant to
12 title 45 and chapters 22 and 28 of this title.

13 D. An improvement district ~~which~~ THAT proposes to provide domestic
14 water service within the certificated area of a public service corporation
15 serving domestic water shall provide just compensation to the public
16 service corporation pursuant to section 9-516 for the facilities or
17 certificated area taken. The right to compensation for a public service
18 corporation from an improvement district shall not apply if no facilities
19 of the public service corporation are actually acquired by the improvement
20 district and either of the following conditions exist:

21 1. At the time the law providing for compensation became effective
22 the certificated area for which compensation is sought is an area ~~which~~
23 THAT was within the boundaries of an improvement district.

24 2. A certificate is issued to a public service corporation for any
25 area ~~which~~ THAT is within an improvement district at the time the
26 certificate is issued.

27 E. If the county board of supervisors determines that the public
28 interest or convenience so requires, an improvement district that is
29 formed for the purposes of providing domestic water service pursuant to
30 article 4 of this chapter may also provide domestic wastewater service.

31 Sec. 3. Section 48-909.01, Arizona Revised Statutes, is amended to
32 read:

33 48-909.01. Wastewater treatment facility; waterworks; sewer
34 collection system and nonpoint source projects;
35 financial assistance loan repayment agreements;
36 definition

37 A. Notwithstanding any other law, a county improvement district,
38 including a domestic wastewater improvement district, may construct or
39 improve a wastewater treatment facility, sewer collection system,
40 WATERWORKS, INCLUDING A DRINKING WATER TREATMENT FACILITY, or nonpoint
41 source project or any combination of those projects with monies borrowed
42 from or financial assistance provided by the water infrastructure finance
43 authority of Arizona pursuant to title 49, chapter 8.

44 B. To repay financial assistance from the water infrastructure
45 finance authority of Arizona, a county improvement district, including a

1 domestic wastewater improvement district, may enter into a financial
2 assistance loan repayment agreement with the authority TO REPAY ANY
3 FINANCIAL ASSISTANCE PROVIDED BY THE WATER INFRASTRUCTURE FINANCE
4 AUTHORITY OF ARIZONA. A financial assistance loan repayment agreement is
5 payable from any revenues otherwise authorized by law to be pledged to
6 repay long-term indebtedness. A financial assistance loan repayment
7 agreement may be secured either by assessments or by a pledge of revenues
8 of the district or any combination of those sources. If the financial
9 assistance loan repayment agreement is secured in whole or in part by
10 assessments levied pursuant to this article, the financial assistance loan
11 repayment agreement shall be treated as a series of bonds to the extent
12 that they are secured by those assessments and the board of directors of
13 the district has all powers and duties to collect assessment installments
14 and enforce delinquent assessments through sale and eventual issuance of
15 deeds in the same manner as if the assessments were evidenced by bonds.

16 C. The board of directors of the district shall obtain approval for
17 the financial assistance loan repayment agreement in the same manner
18 provided by law for approving and issuing bonds or other long-term
19 indebtedness that is secured by those assessments or revenues or a
20 combination of assessments and revenues that are to be pledged to repay
21 the loan.

22 D. A financial assistance loan repayment agreement entered into
23 pursuant to this section shall contain the covenants and conditions
24 pertaining to constructing a wastewater treatment facility, sewer
25 collection system, WATERWORKS, INCLUDING A DRINKING WATER TREATMENT
26 FACILITY, or nonpoint source project or any combination of those projects
27 and repaying the loan as the water infrastructure finance authority of
28 Arizona deems proper. Financial assistance loan repayment agreements may
29 provide for paying interest on the unpaid principal balance of the
30 agreement at the rates established in the agreement. The agreement may
31 also provide for paying the district's proportionate share of the expenses
32 of administering the clean water revolving fund established by section
33 49-1221 and may provide that the district pay financing and loan
34 administration fees approved by the water infrastructure authority of
35 Arizona. These costs may be included in the assessment and revenue
36 amounts pledged to repay the financial assistance loan repayment
37 agreement. Districts are bound by and shall fully perform the financial
38 assistance loan repayment agreements, and the agreements are incontestable
39 after the loan is funded by the water infrastructure finance authority of
40 Arizona. The district shall also agree to pay the authority's costs in
41 issuing bonds or otherwise borrowing to fund a loan.

42 E. The water infrastructure finance authority of Arizona shall not
43 require that payment of a financial assistance loan repayment agreement be
44 made from other than those sources permitted in subsection B of this
45 section. The financial assistance loan repayment agreement may also

1 include covenants concerning the operation of the system, the setting of
2 rates and provisions for the appointment of a receiver to take charge of
3 and operate a sewer collection SYSTEM, A WATERWORKS, INCLUDING A DRINKING
4 WATER TREATMENT FACILITY, and A wastewater treatment system if the
5 financial assistance loan repayment agreement is not paid in a timely
6 manner and, in the sole discretion of the water infrastructure finance
7 authority of Arizona, if the district will not be able to cure the
8 default.

9 F. A district may employ or contract for the services of attorneys,
10 accountants, financial consultants and other experts in their fields as
11 deemed necessary to perform services with respect to the financial
12 assistance loan repayment agreement. These costs are incidental expenses
13 and shall be included in any assessments.

14 G. This section is supplemental and alternative to any other law
15 under which a district may borrow ~~money~~ MONIES or issue bonds. This
16 section ~~shall not be construed as~~ IS NOT the exclusive authorization to
17 enter into loan agreements with the water infrastructure finance authority
18 of Arizona.

19 H. A district may borrow additional monies or enter into additional
20 financial assistance loan repayment agreements with the water
21 infrastructure finance authority in an amount up to the amount approved
22 pursuant to subsection C of this section less the amount that the district
23 is obligated to repay to the water infrastructure finance authority OF
24 ARIZONA pursuant to a financial assistance loan repayment agreement.

25 I. For THE purposes of this section, "nonpoint source project" has
26 the same meaning prescribed in section 49-1201.

APPROVED BY THE GOVERNOR MARCH 27, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 27, 2018

Passed the House February 7, 20 18

by the following vote: 57 Ayes,

0 Nays, 2 Not Voting
1 vacant

M. R. Shogan
Speaker of the House

☒ Pro Tempore

Jim Duhaime
Chief Clerk of the House

Passed the Senate March 21, 20 18

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

Steven B. Yoder
President of the Senate

Susan Owens
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

21st day of March, 20 18

at 6:39 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 27th day of

March 2018

at 10:52 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 27 day of March, 20 18

at 1:32 o'clock P. M.

Michelle Reagan
Secretary of State

H.B. 2190